

General Comments

General Recommendations

Daniel Jones

One of the fundamental issues that guides the current draft proposal is that it bases its supply projections primarily on the presumption of increasing demand. The policy should be centrally based on conservation and efficiency improvement scenarios that will reduce demand even with population growth.

The young generation in New York would like to see a more aggressive energy plan that takes on the challenges that our dangerous energy habits have set for us. We want New York to be a leader in the clean technologies that will protect our future.

Response: The Energy Planning Board shares the commentator's goal of making New York a leader in protecting our future. The State Energy Plan places substantial emphasis on demand reduction, conservation, and efficiency measures. The most recent study of energy efficiency potential in New York State was conducted in 1989, and NYSERDA is currently conducting a major study, the *Efficiency and Renewable Energy Potential Assessment*. The findings of the technical assessment portion of the study were incorporated into State Energy Plan. The economic and achievable potential assessments will not be finalized until late summer 2002. Population growth has less impact on energy supplies than increased demand caused by commercial expansion and economic development. On a per capita basis, New York is already the most energy-efficient state in the continental United States.

The Plan is Too Broad and Should Set Specific Goals

Energy Association of New York State

In this transitional era, it will not be enough to compile facts and perspectives without providing actual guidance on how to achieve the State's goals and without planning for reasonably foreseeable contingencies.

The State must recognize that it is in competition with other states in the region, the nation, and the world.

Note: Comments are grouped according to similarity of contents, and a response may address more than one comment. In those cases, the response is placed at the end of the series of comments. Long series of comments will include a page reference to the response.

Because the plan is a well-intentioned efforts to include all points of view, it is necessarily inconsistent. We believe it badly misplaces its emphasis as to the paramount issues of reliability and price.

The draft places a disproportionate emphasis on programs that may be superficially attractive but will make only a small contribution to the State's overall energy needs. Because of this misplaced emphasis, the plan is likely to encourage complacency and even hostility toward the building of the new and preservation of existing generation plants and natural gas pipelines that we must have.

The Draft State Energy Plan needs to have a dramatic shift in emphasis toward aggressive action by the State to encourage required investment.

Many of the recommendations and projections appear to be predicated on optimistic assumptions and scenarios. The plan projects a 25 percent decline in real electric prices over the next 5 years. It does so in the face of its own recommendations to create and continue expensive public policy programs and in reliance on the assumption of a continuing low rate of economic and energy demand growth.

To achieve secure, reliable, reasonably priced energy, the maximum reasonable degree of market certainty is essential. These efforts should include an examination of the appropriate role, if any, of the New York Power Authority and the Long Island Power Authority in the competitive market and how their activities may impact that market.

Government-added energy costs must be reduced and not increased as they would under the draft State Energy Plan. The State Energy Plan must recognize that the State needs to reduce its own cost impacts on energy prices. (See Response on page 1-6.)

Mirant New York, Inc.

Mirant recognizes the difficult challenge facing the Energy Planning Board in attempting to craft a plan to serve as the blueprint for New York's energy future. It is not enough for the Draft State Energy Plan to compile facts and perspectives. What is needed is for the State Energy Plan to offer a consistent sense of how the State can get from where it is to where it need to be.

Identifying the goals that should drive the State's energy policy is not difficult. Two considerations outweigh all others: reliability and quality of service first and price.

Note: Comments are grouped according to similarity of contents, and a response may address more than one comment. In those cases, the response is placed at the end of the series of comments. Long series of comments will include a page reference to the response.

These become largely irrelevant if people cannot get all the energy they need when, where, and how they need it, and at a reasonable price.

With the tightening of the capital markets, the State must recognize that it is in competition with other states in the region and in the nation, and with the international community.

In part because the Draft State Energy Plan is a well intentioned effort to include all points of view, it is necessarily inconsistent in a number of important respects and badly misplaces its essential emphasis.

The Draft State Energy Plan places a disproportionate emphasis on programs that, while they may be superficially attractive and politically popular and which we generally support when they are cost effective, offer the potential to make only a small contribution, at best, to the State's overall energy needs.

To avoid such outcome, the State Energy Plan needs to have a dramatic shift in emphasis toward aggressive action by the State to encourage the investment that is required for the State's security and economic future.

The Draft State Energy Plan does little to highlight or promote the importance of the continued operation of the State's existing facilities. It ought to do so particularly with regard to the State's nuclear and coal-powered facilities, which are often the object of misguided and ill-informed political opposition but which are critical sources of fuel diversity and price moderation. (See Response on page 1-6.)

Sierra Club

The Draft State Energy Plan fails to include a list of clearly stated goals. There is not sufficient emphasis on efficiency and conservation processes. New York should adopt the Renewable Portfolio Standard. We should develop a program that eliminates our dependence on nuclear power. Before its re-authorization, Article X should include the elimination of the grandfathering clause applicable to plants built before 1977. Energy Plan should include a goal of reducing CO₂. Emphasis should be on renewable energy as we pursue new technologies/jobs. The State Energy Plan should include regional planning. There should be a peak and high demand conservation contingency plan. More emphasis on public transportation. The State Energy Plan should include an analysis of the impact of siting and distribution of energy on low income and minority communities.

Note: Comments are grouped according to similarity of contents, and a response may address more than one comment. In those cases, the response is placed at the end of the series of comments. Long series of comments will include a page reference to the response.

The Sierra Club supports the Governor's desire to use renewables. (See Response on page 1-6.)

Deborah Marie Glover

The State Energy Plan is too subjective. It should be more specific in its policy. Where are the analysis, constructive plans, goals, and objectives as well as the policies and procedures in the draft energy plan? (See Response on page 1-6.)

Tompkins County Environmental Management Council Energy Committee

The State Energy Plan is very comprehensive in setting goals for energy use but must explain further the issues surrounding the implementation of these goals. (See Response on page 1-6.)

Honorable Paul D. Tonko, Chair, Assembly Energy Committee

The draft State Energy Plan is incomplete in terms of providing a set of specific and structured programs that will render the State more secure in its energy supply while rendering the State more competitive with other States. (See Response on page 1-6.)

Scenic Hudson, Inc.

Energy Plan should include specific goals and objectives and a strategy time line. The State Energy Plan should set specific recommendations to promote the development of sustainable renewable energy generation. Close Indian Point. New York State needs to improve public input in the Article X process. The State Energy Plan should include a conservation contingency plan. (See Response on page 1-6.)

League of Women Voters

Energy Plan has no measurable goals set or no timetable to reach these goals.

State should put in measures to control electric energy demands, remove barriers to clean distributed generation, and commit to clean renewable energy sources. (See Response on page 1-6.)

Environmental Advocates

This document would be most valuable if it could really inform decisions, e.g. about Article X power plant siting and transportation issues, and include specific recommendations with numerical targets and metrics to measure progress towards targets. (See Response on page 1-6.)

Note: Comments are grouped according to similarity of contents, and a response may address more than one comment. In those cases, the response is placed at the end of the series of comments. Long series of comments will include a page reference to the response.

Environmental Advocates

In general, we feel the plan lacks clearly stated goals, targets, and specific recommendations for meeting those targets. We feel the plan should not be a series of analyses of existing programs and markets. Measurable outcomes and objectives, time lines, and actions should be stated. (See Response on page 1-6.)

New York Public Interest Research Group (NYPIRG)

The State Energy Plan needs to provide specific actions to reach our target goals and include rates and date of where we need to be. It should provide the methodology or potential methodology of how we are going to reach those rates and dates.

The draft State Energy Plan takes a broad focus on policy directions instead of on specific goals and objectives. Many New Yorkers feel the same way, that specific goals need to be set to bring about safer, cleaner, and healthier energy policy. For example, goals like a ten percent renewables portfolio standard and a citizens utility board. (See Response on page 1-6.)

Ben Tevelin

A responsible energy plan includes specific goals, objectives, and actions to promote a safer, cleaners, and healthier energy policy. Specific goals and objectives such as capping power plant emissions to seven percent below 1990 levels and actively implementing renewable energy supply programs. (See Response on page 1-6.)

UPROSE

The Draft State Energy Plan does not lay out a specific plan; it merely implies general policy. (See Response on page 1-6.)

Stop the Barge

The Draft State Energy Plan only suggests broad policy direction instead of requiring specific action. New York City deserves a well thought out plan that includes an estimate of how much energy is required by the City in the next 10 years, a careful placement of new facilities taking into consideration the other environmental burdens already faced by mixed-use zoning communities, and an action plan that would stage the building and recruitment of new plants so that each new construction project would be properly permitted and supervised. (See Response on page 1-6.)

Note: Comments are grouped according to similarity of contents, and a response may address more than one comment. In those cases, the response is placed at the end of the series of comments. Long series of comments will include a page reference to the response.

Sierra Club, NYC Group

The Draft State Energy Plan fails to include a list of clearly stated goals in the current document. Clearly defined goals should form the basis of the plan and must be prominently presented. (See Response on page 1-6.)

Communities United for Responsible Energy (CURE)

CURE is calling for a rational energy plan for the State which will promote, among other things, true repowering of existing power plants to reduce air emissions and increase efficiency, the increase in energy conservation and alternative energy development, a needs assessment before any new power plants are sited, and equitable siting practices. The draft State Energy Plan should be substantially revised to present a comprehensive and meaningful planning document to guide State and private action. A proper energy plan must include specific goals, objectives, and actions instead of broad policy suggestions. No new electric generating facilities should move forward until there is an environmentally and economically sound and equitable energy plan in place.

Response: The policies recommended by the Energy Planning Board in the State Energy Plan were selected to keep New York in the forefront among all the states in providing its citizens with fairly priced, clean, efficient energy resources. To do this, the Plan must encompass many diverse issues without unduly emphasizing one at the expense of the others. The five major policy objectives that provide a framework for the Plan are designed to address all the diverse issues facing New Yorkers. (See Section 1.3, Energy Policy Objectives and Recommendations.) Numerous recommendations address continued secure operation of the State's existing facilities, including coal-fired and nuclear power plants, and many are responsive to the multitude of comments from citizens and organizations urging the State to focus on demand-reduction methodologies and technologies and on alternative methods of power generation. In addition, the State Energy Plan predicates many of its recommendations on the concept that New York State will benefit from diversity in sources of fuel, and renewable energy resources and demand reduction measures can make valuable contributions to fuel diversity. Prices for renewable energy will decline as the renewable energy resources industry and infrastructure are developed. A vibrant renewable energy resources industry will contribute to economic development in the State and will promote fuel diversity.

Note: Comments are grouped according to similarity of contents, and a response may address more than one comment. In those cases, the response is placed at the end of the series of comments. Long series of comments will include a page reference to the response.

Commit to Action

Better Queens Environment (BQE)

The scope and impact of the Energy Plan is limited. In its own words, “the State Energy Plan does not commit any agency, board, commission or authority to a definite course of specific future decisions.” SEQRA and Articles VII and X of the Public Service Law are given precedence.

Consumers Union

As noted in the all-too-brief environmental impact statement, “the State Energy Plan does not commit any agency, board, commission or authority to a definite course of specific future decisions.” We wish it did. By not proposing a plan for specific actions, the state is maintaining a laissez-faire policy stance where much more is needed.

Star Foundation

We feel that the Draft State Energy Plan must actually be binding on the State and that, until that is the case, it's really just an exercise in futility.

Response: The role and function of the State Energy Plan are legislatively determined. While the Energy Plan cannot dictate specific decisions, Article 6 of the Energy Law requires that “Any energy-related action or decision of a State agency, board, commission or authority shall be reasonably consistent with the forecasts and the policies and long-range energy planning objectives and strategies contained in the plan, . . .” “If a state entity acts in a way that is contrary to the plan, it must demonstrate that the “relevant provisions of the plan are no longer reasonable or probable. . . .”

Specific Recommendations Regarding the Energy Plan

Bronx Environmental Action Coalition

The Governor should work to allocate resources of local community organizations in Mott Haven and Port Morris to develop waterfront revitalization plans and create public access to the waterfront. Public access can be achieved in the immediate short term at a number of coastal locations where parks, piers, and marinas could be created. The Governor can work to channel line-item Environmental Protection Fund monies towards such ecological and economic development opportunities. In an area which already hosts a disproportionate burden of waste related and industrial polluting facilities, compensatory amenities will narrow the gap in environmental justice. A significant

Note: Comments are grouped according to similarity of contents, and a response may address more than one comment. In those cases, the response is placed at the end of the series of comments. Long series of comments will include a page reference to the response.

monetary investment in the design and implementation of a Local Waterfront Revitalization Plan is necessary and fair.

Response: The recommendations in this comment are predominantly outside the scope of the State Energy Plan. Information on the findings of the New York State Department of Environmental Conservation's Environmental Justice Task Force is outlined in Section 2.3 of the State Energy Plan.

Tahira Faune Alford

I want to know if the energy plan will have a public vote. Will there be a chance for a public vote? In California there was an alternate clean energy plan and 73 percent of the public voted for it.

Response: The role and function of the State Energy Plan are legislatively determined. The State Energy Plan is adopted, with extensive public input and lengthy internal deliberations, by the Energy Planning Board, which consists of the Commissioners of the Departments of Economic Development, Transportation, and Economic Development, the Chairman of the Public Service Commission, and the President of the New York State Energy Research and Development Authority.

Ann Link

Promoting and achieving a healthier and cleaner environment should be the first energy policy objective, not the fourth. Personal health is a prerequisite for everything else we do in life.

Under promoting and achieving a healthier and cleaner environment, No. 6 – develop a program that allows businesses This goal should not preempt strict state enforcement of currently existing law.

Response: The five public policy objectives that provide the framework for the recommendation in the State Energy Plan are not presented in order of precedence.

No goals presented in the State Energy Plan can preempt enforcement of currently existing laws.

Note: Comments are grouped according to similarity of contents, and a response may address more than one comment. In those cases, the response is placed at the end of the series of comments. Long series of comments will include a page reference to the response.

Consumers Union

Secrecy about energy trades is unacceptable. The State should require that all information related to energy trading be subject to Freedom of Information laws. Consumers have a fundamental Right-To-Know and transparency is critical to protecting consumers from market abuse. In the wake of the Enron collapse, the current secrecy about energy trading is unacceptable. Consumers must be assured access to information on trades to prevent market abuse.

Response: The New York State Freedom of Information Law provides access to certain government records and applies to all records held by or for a State agency. It provides that all records, with certain exceptions listed in the statute, such as trade secrets, are subject to disclosure. The State Freedom of Information Law does not apply to private companies and to require such application would require legislation. To protect consumers and ensure that an orderly market is maintained, the New York Independent System Operator has established a market monitoring unit that is charged with investigating alleged incidents relating to market abuse. In addition, the Federal Energy Regulatory Commission is in the process of establishing an oversight unit for similar purposes.

Babylon Greens, Town of Babylon

The Energy Planning Board could use a citizen or an activist member, someone who is not from a government agency, who would provide another viewpoint. Someone who could make it safe for people who are attached to certain government agencies to push the envelope a little bit.

Response: The composition of the Energy Planning Board is designated by the Energy Law. The Board recognizes the need for diverse viewpoints throughout the planning process and undertakes an extensive scoping process that includes public hearings and meetings with stakeholders at strategic locations across the State.

New York Chapter Association of Energy Engineers

The New York Chapter recognizes that the State seeks to develop a strong and vibrant energy services industry to serve the needs of end users. We believe it is important to build capacities that will become permanent in the State. In its procurement of energy services, the State should establish significant criteria that favor firms located in New York State.

Note: Comments are grouped according to similarity of contents, and a response may address more than one comment. In those cases, the response is placed at the end of the series of comments. Long series of comments will include a page reference to the response.

Response: NYSERDA is the primary conduit for developing a strong, vibrant energy services industry in New York State through its system benefits charge funded **New York Energy SmartSM** programs. Programs such as the Commercial/Industrial Performance Program and the Peak Load Reduction Program vigorously support the energy services industry. The Commercial/Industrial Performance Program currently has more than eighty participants. While the majority of these firms are located in New York State, those from other states also provide valuable energy services to facilities in New York that benefit New York as a whole. For this reason, NYSERDA has not elected to limit participation to in-state firms. The expectation is that, as the energy services industry grows, many of the out-of-state firms will relocate, bringing jobs and investment with them.

New York State Environmental Justice Alliance

Recent forecasted economic downturn suggest that we may be better able to consider opportunities now than when this scoping process started for this plan. With that in mind, maybe we need to go back and take a look at where we are and extend this process, if that is necessary.

Response: The Energy Planning Board believes that the State Energy Plan accurately reflects the economic climate in the State at this time. However, pursuant to, Article 6, the legislation governing the energy planning process, the Energy Planning Board may adopt a new plan for good cause at any time. Major changes in the economic climate could potentially lead the Board to adopt a new plan before the next one is scheduled.

Katie Makarowski

I believe that our State should turn its focus to less short-term goals and look more at the broader spectrum of things, at more long term goals, to avoid the inevitable crises that arise from relying on oil and gas. Drastic measures need to be taken, trade offs and sacrifices made, both politically and socially.

Response: The State Energy Plan seeks to be a thoughtful, systematic study of the State's energy future and is mindful of the importance of long-term planning. However, the assessments in the State Energy Plan now embrace a twenty-year planning period that is untenable given the complex changes occurring in the energy industry. The movements to competition and regional markets in the energy industry have introduced enough uncertainty that the Energy Planning Board proposes reducing the planning horizon to ten years.

Note: Comments are grouped according to similarity of contents, and a response may address more than one comment. In those cases, the response is placed at the end of the series of comments. Long series of comments will include a page reference to the response.

The New York Renewable Energy Coalition

There are many individuals, organizations, and corporations interested in working in the energy industry. These groups lack a single point of contact in New York State that will act as a clearinghouse for information.

Response: NYSERDA is an excellent source of information for individuals, organizations, and corporations interested in working in the energy industry in New York State, as is the New York State Independent System Operator, and myriad industry organizations exist. For example, statewide organizations with specific interest in the promotion of renewable technologies and energy resources include the New York State Energy Industries Association and the American Wind Energy Association.

New York Gas Group (NYGAS)

NYGAS is concerned that the Board will base policy and form conclusions using the data and analysis found in the interim reports of the NYISO/NYSERDA Gas Capacity Study. We urge that the Draft State Energy Plan be flexible enough to incorporate the final results when they become available.

Response: The results of the NYISO/NYSERDA study, *The Interaction of the Gas and Electric Systems in New York State*, are included in the State Energy Plan. See Section 3.5, Natural Gas Assessment. Incorporation of these results does not preclude or foreclose future actions by the Planning Board.

Riverkeeper, Inc.

The State needs a comprehensive energy policy and, through the collaborative activities of the agencies that make up the Energy Planning Board, one can be achieved. The State Energy Plan Board should be a stronger voice with respect to recommending policy on energy-related issues. In fact, the Energy Plan Board should be able to evaluate the costs and benefits of existing and proposed electric generating units and recommend which are in the public interest and which are not.

Response: The Energy Plan provides the comprehensive energy policies for New York State. Four of the five members of the Energy Planning Board – the exception is the New York State Department of Transportation – are members of the Siting Board and the staffs of those agencies collaborate and serve as the staff of the Planning Board.

Note: Comments are grouped according to similarity of contents, and a response may address more than one comment. In those cases, the response is placed at the end of the series of comments. Long series of comments will include a page reference to the response.

Scenic Hudson, Inc.

The Draft State Energy Plan should be a blueprint for energy sector decision making and also underscore the need to integrate this decision making with other State plans and second highlight the need for regional planning. The State Energy Plan should identify locations that are inappropriate for power plants due to inconsistency with other State and local plans. The State Energy Plan should provide region-based analysis to inform the development of regional plans.

Response: The State Energy Plan is a statewide planning document, and regional analyses generally are outside its scope. That being said, local and regional issues are considered where they impact the State as a whole. For example, the Electricity Assessment (Section 3.4) includes a subsection that evaluates conditions in the New York City and Long Island areas.

The Article X process is the vehicle for determining the appropriateness of specific power plant sites. The Article X process is legislatively mandated.

Tompkins County Environmental Management Council Energy Committee

“The energy technology sector grew by 134 percent in 2000. . . .” Is this correct? It seems high for one year. (See page 1-11 [of the draft State Energy Plan].)

Response: This figure refers to growth in the energy technology sector nationwide and is considered accurate by industry professionals. The magnitude of the figure reflects the fact that growth in the energy technology sector has been vigorous in the recent past.

Torne Valley Preservation Association

The State Energy Plan should present electric power needs that are clear and understandable to the public. It should show in terms that the public will understand where power is needed and how it should be provided.

Response: In the State Energy Plan, Section 3.4, Electricity Assessment, contains extensive information on New York State's projected electricity requirements and potential supplies for the planning period, 2002 through 2021.

Western New York Sustainable Energy Association

There need to be audits by auditors or representative panels of stakeholders of the programs run by NYSERDA, NYPA, and LIPA

Note: Comments are grouped according to similarity of contents, and a response may address more than one comment. In those cases, the response is placed at the end of the series of comments. Long series of comments will include a page reference to the response.

We need to look at the amount of installed savings in terms of kilowatt hours saved versus dollars spent in the short term and the long term. How much are we really achieving? There's lots of programs. Are they doing what they're supposed to?

I would also suggest that part of this auditor review would consider the extent to which those running those programs are capable of thinking outside the box.

Response: In-depth evaluations are conducted on the NYSERDA, LIPA, and NYPA public benefit energy efficiency programs. In the case of NYSERDA's System Benefit Charge (SBC) programs, the New York State Public Service Commission established the System Benefits Charge Advisory Group to act as the independent, third-party program evaluator. This advisory group is composed of a variety of stakeholders and experts including energy industry associations, utilities, low-income advocates, and renewable energy association representatives. This group reviews data on installed savings, spending, and projected achievements and provides advice and recommendations on the directions of the SBC programs based on evaluation results. The different perspectives of the members of the SBC Advisory Group, and their cutting-edge work in this field, help ensure that SBC program development and evaluation is well informed and that fresh ideas are available.

In addition, all State agencies are audited by outside, independent auditors and the State Comptroller.

Green Power

Better Queens Environment (BQE)

Leading organizations around the country are starting to buy green power, recognizing it is the next step in environmental responsibility. Leading experts on U.S. green energy development have expressed confidence that a dramatic growth in participation in U.S. green energy programs is likely to occur over the next several years. The four-year plan does not really reflect that.

Response: The State Energy Plan recognizes the need for and encourages the development of green power in New York State. At the present time, however, U.S. green energy development is in its infancy. In essence, the Governor's Executive Order 111 has directed the State to purchase green power in expanding stages through 2020. Additionally, environmental labeling, now in effect in New York State, informs electricity customers of the environmental attributes of the power available for purchase.

Note: Comments are grouped according to similarity of contents, and a response may address more than one comment. In those cases, the response is placed at the end of the series of comments. Long series of comments will include a page reference to the response.

Information comparing the amounts of nitrogen oxides (NOX) sulfur dioxide (SO₂) and carbon dioxide (CO₂) missions in the power sold by the supplier with the statewide average will help customers make decisions and will stimulate suppliers to add green power to their mix.

Article 6

New York Independent System Operator (NYISO)

Regarding changes to Article VI, the NYISO supports the modifications that reduce the demand forecast time horizon from 20 to 10 years. The NYISO recommends that it no longer be designated as an agent to collect and supply data to NYSERDA. NYISO recommends that all data be submitted directly to the State.

National Fuel Gas Distribution Corporation

The Draft State Energy Plan states that the State should reauthorize, with modifications, Article VI. Natural Fuel Gas feels all aspects of Article VI must be revisited. Modified regulations must reflect information requirements from new entrants into the energy market place, including marketers, suppliers and brokers, with a compliance feature that makes the information filing requirements mandatory.

Response: A revised Article 6 will be introduced for action by the Legislature in 2002. It will likely include reduction of the forecast time horizon from 20 to 10 years and reflect updated information requirements from all participants in the energy market place. Other changes may also made to make the Energy Law more useful and responsive to the needs of the State, of energy providers, and of rate payers.

Niagara Mohawk Power Corporation

The draft State Energy Plan suggests a future ten-year planning horizon. Niagara Mohawk endorses this recommendation. In fact, it would support a shorter planning horizon if it were appropriate. The draft State Energy Plan also suggests that the Energy Planning Board meet annually to coordinate development and implementation of energy-related strategies and policies and to deal with certain information materials. In the near term, this is an excellent idea. However, we must be sensitive to the resources needed to engage in the energy planning process. To avoid the administrative burden of a continuous year-long planning proceeding, Niagara Mohawk suggests the annual efforts be tightly focused on two specific questions: (1) Are all State agencies coordinating their efforts and following the policy guidance laid out in the last approved plan? Do the recent actions complement each other and further the policy objectives of the currently valid

Note: Comments are grouped according to similarity of contents, and a response may address more than one comment. In those cases, the response is placed at the end of the series of comments. Long series of comments will include a page reference to the response.

State energy plan? (2) What key policies, if any, require immediate reconsideration in view of major industry developments since the last plan was completed?

Response: The comment substantially defines the agenda for the Energy Planning Board's annual meetings. Under normal circumstances, the annual planning will be neither continuous nor year-long.

Sustainability

Clarkson University

Clarkson endorses the efforts of the Energy Planning Board and recommends a broader inclusion of sustainability concepts and principles into the Draft State Energy Plan as a means of promoting long-term economic development and environmental health throughout the Empire State.

Sustainability is the conservation movement of the twenty-first century and, like conservation, sustainability holds that we can have economic development and environmental health today and in the future if we apply new ways of thinking and working to solve the challenges of production, consumption, and disposal, among others.

Riverkeeper, Inc.

The Draft State Energy Plan should include a definition of sustainable energy.

Response: The State Energy Plan contains many recommendations that will contribute to energy sustainability for New York State including those that move the State's emphasis away from imported oil and toward renewable technologies and peak shaving programs. See Section 3.2, Energy Efficiency Assessment, and Section 3.3, Renewable Energy Assessment, of the State Energy Plan.

Babylon Greens, Town of Babylon.

You might want to look at the Brentwood Report which created the idea of sustainability through the UN. They held their hearings first and then wrote the report. The problem is, once you have a document created, it sets a lot of ideas in stone.

Response: The process of developing the State Energy Plan is outlined in Article 6 of the Energy Law. The draft Plan is written based on extensive public input. The Notice of Commencement of the Planning Proceeding was published on April 18, 2001 in the *New York State Register*, initiating a 60-day public comment period that closed on

Note: Comments are grouped according to similarity of contents, and a response may address more than one comment. In those cases, the response is placed at the end of the series of comments. Long series of comments will include a page reference to the response.

June 18, 2001. Fifteen outreach meetings were held with interested parties. Forty seven sets of comments were received from 43 individuals and organizations in response to the Notice of Commencement.

Reliability

New York State Reliability Council (NYSRC)

Supports the importance of maintaining the reliability of the State's power system.

The State Energy Plan needs to critically assess the likelihood that massive capital investment in new generation in the State will really come to pass and describe the impact if such facilities are not built.

Response: The Electricity Assessment section of the State Energy Plan contains a range of analyses under different combinations of supply and demand. One such analysis addresses a situation of "low supply" of generation.

New York State Reliability Council (NYSRC)

The Reliability Council strongly supports the first Energy Policy Objective in the Energy Plan. The following textual changes in the State Energy Plan are suggested.

Response: The State Energy Plan incorporates the NYSRC's recommended language.

New York State Reliability Council (NYSRC)

The following paragraph should be inserted before the paragraph that starts with "In the process to develop a Northeast RTO. . ." on page 3-88 of the draft State Energy Plan.

Response: The paragraph, which addressed the State's commitment to reliability was inserted, with minor changes, in the State Energy Plan.

Regarding NYPA, LIPA

Mirant New York, Inc.

Although included in its original scoping list of issues, the Draft State Energy Plan fails to address in any meaningful way the appropriate role of New York Power Authority and Long Island Power Authority in the new competitive environment. There

Note: Comments are grouped according to similarity of contents, and a response may address more than one comment. In those cases, the response is placed at the end of the series of comments. Long series of comments will include a page reference to the response.

needs to be an examination of the significant impact of the development of competitive energy markets of the substantial and ongoing investment by State Authorities in electric generation projects. Such examination should offer a basis for assessing the potential impact of proposed legislation that looks to expand the sphere of NYPA's activities in the competitive market. Nor is there a discussion of the NYPA hydropower relicensing issue and its enormous potential impacts.

Honorable Paul D. Tonko, Chair, Assembly Energy Committee

The State Energy Plan sidesteps discussions of the role of public power.

With respect to the Power Authority of the State of New York (PASNY), the Energy Plan does not examine the authority's activities, whether such activities fall within or beyond the scope of the authority's statutory responsibilities, nor the impacts on developing private markets. The State Energy Plan fails to address the appropriate role of public power authorities in emerging competitive markets (same as 1st sentence).

Response: The Energy Planning Board does not consider it within the scope of the State Energy Plan to address the New York Power Authority's statutory responsibilities. However, the State Energy Plan predicates many of its recommendations on the concept that New York State will benefit from diversity in sources of fuel and that renewable energy resources will make a valuable contribution to fuel diversity. Prices for renewable energy will decline as the renewable energy resources industry and infrastructure are developed. Therefore, the State Energy Plan calls for the New York Power Authority and the Long Island Power Authority to purchase contracts for specific amounts of renewable energy. Such purchases will encourage development of the industry, contribute to economic development in the State, and promote fuel diversity.

Multiple Intervenors

The final Energy Plan should not recommend that New York Power Authority and Long Island Power Authority solicit bids for renewable resources.

Response: The Energy Planning Board understands the concerns of the commentor that promotion of renewable energy resources may result in increased prices for energy. However, the State Energy Plan supports the concept that New York State will benefit from diversity in sources of fuel, and renewable energy resources can make a valuable, albeit at this time limited, contribution to fuel diversity. Prices for renewable energy will decline as the renewable energy resources industry and infrastructure are

Note: Comments are grouped according to similarity of contents, and a response may address more than one comment. In those cases, the response is placed at the end of the series of comments. Long series of comments will include a page reference to the response.

developed. Such purchases will encourage development of the industry, contribute to economic development in the State and promote fuel diversity.

Sustainable Energy Alliance of Long Island

Any New York State Master Energy Plan must include a binding provisions upon the Long Island Power Authority to adhere to and fulfill the mandates of the State Plan. LIPA continues to operate with little to no oversight by the State, and, although it is a publicly owned authority, it is largely unaccountable to its ratepayers.

The Sustainable Energy Alliance of Long Island seeks assurance that LIPA will be required to adhere to the guidelines, strategies, and milestones set forth in the final New York State Energy Plan upon its adoption.

Response: Long Island Power Authority, like all State agencies, authorities, commissions, and boards must act in reasonable consistency with the State Energy Plan. Article 6 of the Energy Law requires that “Any energy-related action or decision of a State agency, board, commission or authority shall be reasonably consistent with the forecasts and the policies and long-range energy planning objectives and strategies contained in the plan, . . . “ If a state entity acts in a way that is contrary to the plan, it must demonstrate that the “relevant provisions of the plan are no longer reasonable or probable. . . .”

New York Independent System Operator (NYISO)

New York Independent System Operator (NYISO)

With respect to recommendation 1.C. on page 1-29 of the draft State Energy Plan: “State agencies and authorities should encourage the New York Independent System Operator (NYISO) to consider the certainty and availability of primary and back-up fuels as factors in the valuation of capacity from electricity generators, to ensure that the reliability of the electricity, natural gas, and petroleum supply and delivery infrastructures are not adversely affected if generator fuel supplies are disrupted.” The NYISO suggests that the contemplated modifications to the NYISO installed capacity market may be premature. It may be more useful to address these concerns through reliability rules.

Empire State Petroleum Association, Inc.

The State should examine methods of enhancing and developing the security and reliability of its petroleum storage and distribution infrastructure.

Note: Comments are grouped according to similarity of contents, and a response may address more than one comment. In those cases, the response is placed at the end of the series of comments. Long series of comments will include a page reference to the response.

Response: With respect to the reliability of petroleum storage and distribution infrastructure, the State Energy Plan requests the New York Independent System Operator to consider the certainty and availability of primary and back-up fuel supplies in valuing capacity from electric generators or to consider the certainty and availability of primary and backup fuels in establishing local reliability rules. See Section 1.3, Energy Policy Objectives and Recommendations, in the State Energy Plan.

With respect to security of the petroleum storage and distribution infrastructure, the Energy Planning Board explicitly recognizes the need to take a hard look at the security of the State's energy infrastructure, as evidenced by the State Energy Plan's recommendation that the State initiate a study of the security of New York's energy infrastructure used for production, storage, and delivery, and that the study include a risk and vulnerabilities assessment and make recommendations for appropriate actions. The Planning Board suggests that the study be conducted cooperatively by the Office of Public Security, the Energy Planning Board agencies, and major energy market participants.

New York Independent System Operator (NYISO)

The NYISO wants to emphasize the continued need for new capacity, particularly in New York City and on Long Island. This additional capacity is required for system reliability to be maintained. On August 7, 8, and 9, [2001] NYPA's 440 megawatts of capacity became critical. They are still critical. However, demand reduction measures can play a significant role in maintaining New York's electric reliability. The NYISO would like add these recommendations to those outlined in the draft State Energy Plan: (1) eliminate barriers to real-time pricing at the retail level, (2) encourage the development of "smart metering" to empower consumers to assist in demand-reduction efforts, (3) develop real-time residential and commercial rates, and (4) continue education efforts on the benefits of demand-reduction measures.

Response: Both the Energy Planning Board and the State Energy Plan support additional resources (both supply and demand reductions) to ensure the development of a competitive market. The Board also supports: (1) elimination of barriers to real time pricing at the retail level; (2) development of "smart metering"; (3) development of real-time residential and commercial rates; and (4) educational outreach regarding the benefits of demand reduction measures.

The New York Public Service Commission (PSC) and NYSERDA have already taken major actions in this area. In 2001, the PSC directed all utilities to develop and

Note: Comments are grouped according to similarity of contents, and a response may address more than one comment. In those cases, the response is placed at the end of the series of comments. Long series of comments will include a page reference to the response.

implement voluntary real-time pricing tariffs for customers with load in excess of 100 kilowatts. The PSC approved these tariffs in the summer of 2001. Using System Benefit Charge funding, administered by NYSERDA, “smart” or interval meters are subsidized up to 100 percent of the customer’s installed cost. In addition, the PSC, NYSERDA, the Long Island Power Authority and the New York Power Authority have implemented major campaigns to educate customers regarding the benefits of demand reduction measures and actions. Finally, it should be noted that New York State law does not permit mandatory time-of-use pricing for residential customers.

Riverkeeper, Inc.

The Draft State Energy Plan should promote a more balanced New York Independent System Operator board of directors.

Response: The board of directors of the New York Independent System Operator is approved by the Federal Energy Regulatory Commission, not New York State.

New York State Electric and Gas (NYSEG)

The State Energy Plan pays only slight notice to the serious market practices and design issues that have been seen in the NYISO-administered market since its inception.

The State Energy Plan will be more useful if it is guided by the most significant needs of the electric market, *i.e.*, the NYISO must replace its hour-ahead and real market software which is obsolete and flawed.

The Public Service Commission adopted interim measures requiring marketers to demonstrate certain capacity holdings, however, no long term policy regarding capacity obligations currently exists in New York State.

Response: The Electricity Assessment of the Energy Plan identifies some of the efforts underway to improve the efficiency of the NYISO-administered wholesale market. The Planning Board supports these efforts and will continue to monitor the market to ensure that necessary improvements are made.

Lifeline Rates

Tompkins County Environmental Management Council Energy Committee

The State Energy Plan should include lifeline block pricing.

Note: Comments are grouped according to similarity of contents, and a response may address more than one comment. In those cases, the response is placed at the end of the series of comments. Long series of comments will include a page reference to the response.

League of Women Voters

It is an important social policy for the State to require “lifeline” rates. To support energy conservation the State should disallow declining block rates.

Response: Rate Orders recently issued by the Public Service Commission provide for discounted customer charges for qualified low income utility customers.

Formatting Comments

Jennifer Bostaph

Overall, the Draft State Energy Plan is very informative. Section III is very confusing and difficult to understand. The tables offer too much information. Some of the graphs do not help with explanations. The Energy Plan needs to have an acronym page.

League of Women Voters

In the Energy Plan there should be the addition of a subject matter index.

Response: The suggestions are good ones, and an attempt has been made to improve the readability of the document within the tight time frame for developing and approving the Plan.

Pace University School of Law; Pace Energy Project

The State Energy Plan should provide a new section that summarizes New York positions and interests with regard to federal energy, transportation, and environmental policies, including climate change.

Response: The contents of the State Energy Plan are defined by the Energy Law, however the State's position vis-à-vis federal government is discussed throughout the Energy Plan where appropriate.

Petroleum and Gas Issues

El Paso Corporation

The State Energy Plan should include a more comprehensive assessment of new energy supplies, particularly natural gas, that are under development offshore from Nova Scotia, and an additional focus on the need for, and value of, diversity in fuel supplies, not just diversity of the fuels themselves.

Note: Comments are grouped according to similarity of contents, and a response may address more than one comment. In those cases, the response is placed at the end of the series of comments. Long series of comments will include a page reference to the response.

Response: The State Energy Plan has been modified to reflect El Paso's comments.

Better Queens Environment (BOE)

The Draft State Energy Plan anticipates a 50 percent reliance on one source of fuel – gas. As current local and world events have shown, this reliance on fossil and nuclear fuels causes enormous security concerns. The heavy reliance on a single source of fuel leaves the State vulnerable to price fluctuations and supply problems.

Response: The State Energy Plan recognizes this risk and as a result supports several actions including that the State initiate a study of the security of New York's energy infrastructure used for production, storage, and delivery. The Energy Plan calls for the study to include a risk and vulnerabilities assessment and action steps for the appropriate actions. The study should be conducted cooperatively by the Office of Public Security, the Energy Planning Board agencies, and major energy market participants.

Diane A. Davis

New York's dependence on Organization of Petroleum Exporting Companies oil is projected in the Energy Plan to exceed nearly 50 percent by 2016, this is in contradiction to President Bush's State of the Union address. The State Energy Plan should be re-worked to become less dependent on foreign oil supplies. The Draft State Energy Plan says that we should transfer our oil dependency from OPEC to Russia, Azerbaijan, Kazakhstan, and the Caspian Sea area. This defeats President Bush's directive. Section 2 needs to be re-written to incorporate President Bush's January 28, 2002 State of the Union Address.

Response: The State Energy Plan calls for the State to significantly increase energy resource diversity in electricity generation and transportation through increased reliance on indigenous, renewable, energy efficiency, and demand management resources. These steps will help reduce New York's dependency on imported energy.

Empire State Petroleum Association, Inc.

Empire State Petroleum Association, Inc. agrees with the basic goals, principles and planning objectives in the Energy Plan. Competition in the energy market, uninfluenced by government interference, will provide customers with the best products, services, and prices. This approach should be applied to all energy markets in the State.

Note: Comments are grouped according to similarity of contents, and a response may address more than one comment. In those cases, the response is placed at the end of the series of comments. Long series of comments will include a page reference to the response.

The State Energy Plan should include a provision that every interruptible electric generating facility should maintain adequate back-up fuel and that should be mandated in the re-authorized Article X statute.

Response: The State Energy Plan requests the New York Independent System Operator to consider the certainty and availability of primary and back-up fuel supplies in valuing capacity from electric generators or to consider the certainty and availability of primary and backup fuels in establishing local reliability rules.

Empire State Petroleum Association, Inc.

The State should expand research and development projects for petroleum products and equipment and support research and development projects testing the feasibility of using biodiesel as a home heating extender.

Response: The State Energy Plan supports the expansion of biofuels research and development activities with the goal of creating a self-sustaining private sector biofuels industry in the State within the next five to ten years. The State will develop a specific plan for producing, refining, and marketing biomass fuels derived from waste, soybean, and corn oils, and from paper sludge, municipal solid waste, and other cellulose sources, working in cooperation with other states. The State also supports the commercialization of biofuels technology and use of biofuels as vehicle fuel, heating fuel, emergency generation fuel, and in marine applications.

Empire State Petroleum Association, Inc.

The final Energy Plan should recommend the elimination or reduction of taxes on petroleum products. The final Energy Plan should recommend the complete elimination of the petroleum business tax on heating oil for commercial space heating. The final Energy Plan should recommend that the State adopt a unified petroleum tax calculated on a per-gallon basis.

Response: Issues of taxation require legislation enacted by the New York State Legislature. The Energy Planning Board supports reductions in taxes where appropriate and when due consideration is given to fiscal considerations.

Note: Comments are grouped according to similarity of contents, and a response may address more than one comment. In those cases, the response is placed at the end of the series of comments. Long series of comments will include a page reference to the response.

Diversity

Ben W. Ebenhack

Energy projects should include an evolving energy mix that gradually phases out dependence on depletable resources.

El Paso Corporation

The Draft State Energy Plan rightly identifies the need for fuel diversity as a means of minimizing the impacts of shortages of fuel. El Paso feels that there are practical limits to how far you can go in developing a truly diverse fuel mix and we would like to offer that most focus be placed on the supply sources, delivery capability, and redundancy of the delivery systems of the fuels now in use in assessing how best to meet the State's energy needs. El Paso believes it does not serve the public interest if you have a situation where there are a variety of fuel types but uncertainty with how reliable and secure those fuel types are.

Mirant New York, Inc.

New York is blessed with an unusual amount of fuel diversity. The critical importance of diversity relates to the fuels that are used to provide electric generation. The emphasis and the focus must be on diverse fuel supplies rather than on diverse energy portfolios.

Response: The State Energy Plan predicates many of its recommendations on the concept that New York State will benefit from diversity in sources of fuel. Renewable energy resources and demand reduction measures can make valuable contributions to fuel diversity. Prices for renewable energy will decline as the renewable energy resources industry and infrastructure are developed. A vibrant renewable energy resources industry will contribute to economic development in the State and will promote fuel diversity.

Rebuilding Lower Manhattan

Natural Resources Defense Council

With respect to rebuilding lower Manhattan, from an environmental perspective, the vision NRDC wants to put out there, and what we would like to see the State embrace and challenge itself to do, is to try to build . . . rebuild lower Manhattan in a way that is not only efficient and green buildings but actually gets the CO2 emissions to zero.

Note: Comments are grouped according to similarity of contents, and a response may address more than one comment. In those cases, the response is placed at the end of the series of comments. Long series of comments will include a page reference to the response.

Response: The State Energy Plan calls for the State, in coordinating rebuilding efforts in lower Manhattan with private developers following the terrorist attacks of September 11, 2001, to ensure that these efforts maximize the use of energy-efficient and environmentally-sound design and construction practices to reduce energy use and costs, to reduce pollutant emissions, and to improve indoor air quality.

Other (No response is required for comments in this section.)

Eugene Marner

The draft State Energy Plan does little to help us face the future with the knowledge we need to make intelligent decisions. In no case has a serious impartial scientific study been done in the public interest to demonstrate that these energy alternatives can produce more energy than they use. Studies that have been done are not encouraging. The beginning of the greatest of all transitions in human history will arrive sometime this decade. This is what the draft State Energy Plan should be about.

- Helping people to understand the new life and new economies caused by the end of cheap oil
- Preparing people to survive in a world without mechanical slaves
- Explaining that we need to radically conserve the remaining oil and gas in the world to make the transition to the post-oil world.

General Comments in Support of the Plan (No response is required for comments in this section.)

Marshah-Reaff Barrett

The Draft Energy Plan is very informative. Moving forward, more analysis will be required on some of the recommendations in the Energy Plan prior to their implementation. Due consideration must be given to cost impacts, security and diversity of energy supplies and electricity generation technologies, protection of public health and safety, beneficial and adverse environmental impacts, and the State's ability to compete economically.

Pace University School of Law; Pace Energy Project

The Draft State Energy Plan does an excellent job of framing the overall issues. The underlying analysis provides a solid foundation for developing a comprehensive plan for State actions that are needed and will be needed in the future to assure that New York has safe, clean, efficient, and reliable energy over the long term.

Note: Comments are grouped according to similarity of contents, and a response may address more than one comment. In those cases, the response is placed at the end of the series of comments. Long series of comments will include a page reference to the response.

Power Light Corporation

Power Light likes what it sees in the Draft State Energy Plan. There is a lot of good language in there, and there seems to be a clear understanding of the benefits of renewable energy, particularly PV.

Power Light particularly applauds the Governor for his Executive Order 111. It is a truly visionary statement.

Integrated Waste Services Association (IWSA)

IWSA would like to commend the Energy Planning Board for its leadership and commitment in providing a blueprint which would help ensure secure and well maintained energy infrastructure, while also ensuring adequate energy supply within the State.

New York City Economic Development Corporation

This document [the Draft State Energy Plan] does appropriately try to strike the balance between providing crucial information to local decision makers, while trying to not go too far in the direction of making specific proposals for planning for the long term when things change so rapidly. Energy planning is a very dangerous concept. Some of the worst mistakes have been made in the name of long-range planning.

Robert A. Smith

The Draft State Energy Plan gives a good overview of energy supplies and distribution networks in New York State. The ordinary citizen should be in awe of this energy structure and all the effort that has gone into first building and maintaining these systems and the organizational discipline exercised in keeping track of updated information on its utility to the State and its people the compilers of the first draft certainly are to be commended for a job well done in gathering and presenting this information.

Long Island Power Authority (LIPA)

The Energy Planning Board has enunciated sound strategies for putting New York on a continued path toward a sustainable energy future that both improves our environment and grows the economy through market forces. LIPA is currently and will continue to implement objective No. 1, which supports the continued safe, secure, and reliable operation of the energy system infrastructure. LIPA stands ready to participate in the proposed study regarding the security of New York's energy infrastructure recommended in the Draft State Energy Plan.

Note: Comments are grouped according to similarity of contents, and a response may address more than one comment. In those cases, the response is placed at the end of the series of comments. Long series of comments will include a page reference to the response.

Policy objective No. 2 is also supported by LIPA. LIPA will continue to actively support the establishment of a Northeast RTO.

Regarding the recommendation that the State move expeditiously to a fully competitive retail electricity marketplace, LIPA recently opened its retail access program, Long Island Choice, to all of LIPA's more than one million customers.

Policy objective no. 4, promoting and achieving a cleaner and healthier environment, is strongly supported by LIPA's Clean Energy Initiative. Meaningful greenhouse gas emission targets are needed if progress in this area is to be made.

LIPA's mission is aligned with Policy objective no. 5, ensuring fairness, equity, and consumer protections in an increasingly competitive market economy. Clearly LIPA has somewhat of an advantage in addressing this objective, because LIPA's primary mission is public service.

LIPA stands ready and willing to assist in achieving the Plan's goals.

Mary Griffin

The physical structure of the Energy Plan is fine and needs no adjustment.

Brett Maxwell

Generally impressed with scope, depth, and organization of the Energy Plan.

Adirondack Hydro Development Corp.

Supports the Energy Plan's planning process and energy policy objectives.

New York Power Authority

On behalf of the New York Power Authority, I want to express our appreciation to the Energy Planning Board and its staff for the extraordinary amount of work that has gone into producing the Draft State Energy Plan. You should be very proud of this important policy document and the unprecedented lengths to which you have gone to solicit a diverse selection of public opinion on the Empire State's energy issues.

The blueprint for New York's electricity future should resemble a three-legged stool balanced on generation, transmission, and energy efficiency. All three of these elements are needed to provide New York with a solid foundation for economic growth and environment protection.

Note: Comments are grouped according to similarity of contents, and a response may address more than one comment. In those cases, the response is placed at the end of the series of comments. Long series of comments will include a page reference to the response.

In summary, let me simply say that, under the leadership of Governor George Pataki, the New York Power Authority is practicing what it preaches about generation, transmission, and energy efficiency. I believe the Draft State Energy Plan shares that essential sense of balance and as a consequence will provide an excellent map to a better energy future for all New Yorkers.

New York State Consumer Protection Board

The New York State Consumer Protection Board strongly supports the Draft State Energy Plan. We believe its flexible, market based approach and its strong and proper focus on consumer interests provide a good roadmap for the transition to competitive markets as well as for improvements in the environment and transportation systems.

Scenic Hudson, Inc.

Scenic Hudson, Inc. would like to acknowledge and thank the Board and staff for the time and effort that went into creating the Draft State Energy Plan. As well, we thank you for hosting this and eight other public hearings throughout the State of New York.

New York Public Interest Research Group

We want to be very clear that there are certain things the plan does very, very well and that we want to congratulate you for. It provides a very good snapshot of where we are, our current picture, how we generate our power in New York State, the programs we have. There are a few points we definitely agree on. Specifically, the very strong defense of demand-side management programs, the potential for nuclear power here in New York State, the need for update of power plants emissions standards.

Battery Park City Authority

The impressive work done to date by the Energy Planning Board, as evidenced by the Energy Plan, will inform the policy making process in New York and beyond.

The State Energy Plan is a well researched examination of the New York State current energy picture. We support its recommendations.

Note: Comments are grouped according to similarity of contents, and a response may address more than one comment. In those cases, the response is placed at the end of the series of comments. Long series of comments will include a page reference to the response.